DOCUMENT RESUME

ED 219 815 CS 503 890

AUTHOR Anderson, Robert J.; And Others
TITLE The Condition and Needs of the Live Professional Theatre in America. Phase I Report: Data Collection and Analysis. Executive Summary.
INSTITUTION Mathematica, Princeton, N.J.
SPONS AGENCY National Endowment for the Arts, Washington, D.C.
PUB DATE 14 Mar 78
CONTRACT PC-77-28
NOTE 23p.; For related document see CS 503 891.

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *Acting; Drama; *Employment Patterns; Financial Problems; Labor Conditions; *Money Management; *Occupational Surveys; *Research; Theater Arts; *Theaters; Use Studies

ABSTRACT

This report presents a summary of the results of the first phase of a two-phase study of the condition and needs of the live professional theatre in America since the mid-1960s. Data contained in the report were collected and analyzed on the following aspects of the theatre: activity, audience, earnings, employment, facilities, finances, labor force, and innovations. Among the findings presented are (1) one out of every ten adults attended a live professional theatre performance in the past year and one in three attended some kind of theatrical performance; (2) attendance on Broadway has shown no long term tendency to increase or decrease; (3) the number of new plays produced each year has doubled since 1969; (4) the current cost of producing a Broadway musical has increased at a rate of approximately 5% per year since the mid-1960s; (5) the cast size of musicals produced on Broadway has fallen; (6) there is a relatively rapid growth in the size of the theatre labor force as measured by the rates of growth of membership in unions and associations representing theatre artists; (7) increases in weekly wage rates in theatre occupations generally have equaled or exceeded the rate of inflation; (8) many theatre professionals derive almost as much of their total income from outside employment as they do from the theatre; and (9) the struggle to remain financially viable has assumed other forms, including new methods for increasing revenues and new production and management methods. The report concludes that the theatre may be in for a period of retrenchment if substantial new sources of revenues are not found. (HOD)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED219815

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

EXECUTIVE SUMMARY

THE CONDITION AND NEEDS OF THE LIVE PROFESSIONAL THEATRE IN AMERICA
PHASE I REPORT: DATA COLLECTION AND ANALYSIS

Prepared for:

The National Endowment for the Arts
Washington, D. C. 20506

by:

Robert J. Anderson, Project Director
Hilda Baumol
Sonia P. Maltezou
Robert Wuthnow

MATHTECH, Inc.
P. O. Box 2392
Princeton, New Jersey 08540

March 14, 1978

C SS 530970

TABLE OF CONTENTS

		Page
A.	Introduction	1
B.	Facilities, Activity and Audiences	2
C.	Finance	8
D.	Labor Force, Employment and Earnings	10
E.	Innovations	14
F.	Prognosis	14

FOREWORD

This report presents the results of the first phase of a two-phase study of the condition and needs of the live professional theatre in America. [1/] The objective of Phase I of the study was to collect and analyze data describing the current condition and needs of the theatre.

During Phase II of the study, an Advisory Group nominated by the National Endowment for the Arts will write a report of recommendations concerning the needs of the theatre. The membership of the Advisory Group is as follows:

Mr. Harold Prince
The Harold Prince Organization

Mr. Oscar G. Brockett
Indiana University

Ms. Hazel Bryant
Afro-American Total Theatre

Mr. Edward Corn
The Opera Company of Philadelphia

Mr. Robert W. Crawford
Consultant

Ms. Barbara Robinson
International Alliance of Theatrical and Stage Employees

Ms. Jean Burch Falls
Writer

Ms. Geraldine Fitzgerald
Actress

Mr. Gary Gisselman
Chanhassen Dinner Theatre

Mr. Donald Grody
Actors' Equity Association

Mr. Thomas M. Messer
The Guggenheim Museum

Mr. Lloyd Richards
National Playwrights Conference

Mr. Alan Schneider
Juilliard School

Mr. Donald Schoenbaum
Guthrie Theatre

Mr. Gerald Schoenfeld
Shubert Organization

Mr. Stephen Sondheim
Dramatists Guild

Mr. Luis Valdez
El Teatro Campesino

Mr. Harrison White
Harvard University

Mr. Peter Zeisler
Theatre Communication Group

1/ Performed under contract PC-77-28 with the National Endowment for the Arts, under the direction of the Research Division.

ACKNOWLEDGEMENTS

In the conduct of Phase I of this study we at MATHTECH have been fortunate to have had, beyond all expectations, the gracious cooperation and encouragement of a large number of people. Indeed, virtually everyone we asked for help provided it. Particularly helpful to us in securing difficult-to-get data were the Attorney General's Office of the State of New York, the League of New York Theatres and Producers, the Theatre Communications Group, the Ford Foundation, Actors' Equity Association, the New York State Council on the Arts, the National Endowment for the Arts, the Shubert Organization, and Variety. We would like to thank the following individuals and organizations for the invaluable assistance they provided to us:

Individuals

Richard Adams - Actors' Equity Association
Eve Adamson - Jean Cocteau Repertory
Emanuel Azenburg - Producer
Bruce Birkenhead
John Bos - New York State Council on the Arts
Samuel Brookoff - Attorney General's Office, New York State
John Cauble - UCLA
Irving Cheskin - League of New York Theatres and Producers
James Copeland - Theatre Communications Group
Donald Fowle - New York Public Library Drama Division
Jack Golodner - Jack Golodner Associates
Barry Grove - Manhattan Theatre Club
Martin Holley - New York University
Tom Hughes - Dallas Municipal Opera
Vincent Jacobi - Theatrical Stage Employees Union, Local 1, IATSE
Linda Walch Jenkins - Northwestern University
Duane Jones - Black Theatre Alliance
Virginia Kahn - Off-Off Broadway Alliance
Jessica Kennedy - Princeton University
Tom Mallon - Equity-League Pension & Welfare Fund
Billy Mathews - The Society of Stage Directors and Choreographers
Ruth Mayleas - National Endowment for the Arts
Larissa Maziar - Columbia University
Lawrence McLaughlin - Theatrical Protective Union, Local 1, IATSE
Orestes Mihaly - Assistant Attorney General, New York State
Hobe Morrison - Variety
Tamara Moskowitz - New York State Council on the Arts
Marvin Foons - League of New York Theatres and Producers
Ernest Rawley - Independent Booking Office
Edward Reuter - Attorney General's Office, New York State
John Reynolds - Treasurers and Ticket Sellers Union, Local 751

Individuals (Continued)

Rita Roosevelt - Ford Foundation
Ellen Rudolph - Off-Off Broadway Alliance
Harvey Sabinson - League of New York Theatres and Producers
Art Salmon - Actors' Equity Association
Richard Sheldon - Ford Foundation
Hugh Southern - Theatre Development Fund
Peggy Stanton - Equity-League Pension & Welfare Fund
Marcia Thompson - Ford Foundation
Mildred Traube - The Society of Stage Directors and Choreographers
George Wachtel - League of New York Theatres and Producers
Jennifer Walz - National Endowment for the Arts
Robert Wankel - The Shubert Organization
Richard Weaver - Association of Theatrical Press Agents and Managers
Jennifer Webster - Free-lance writer
Louise Weiner - Department of Commerce
William Wingate - Mark Taper Forum

Organizations

Actors' Equity Association
American Federation of Musicians
American Theatre Association
American Theatre Producers, Inc.
Associated Council of the Arts
Association of Theatrical Press Agents and Managers
Attorney General's Office, New York State
Black Theatre Alliance
Chicago Alliance for the Arts
Columbia Artists
Dramatists' Guild
Equity-League Pension and Welfare Fund
The Ford Foundation
Gemini Artist Management
Guthrie Theatre (Minneapolis)
Hospital Audiences, Inc.
Independent Booking Office
International Alliance of Theatrical and Stage Employees
Jean Cocteau Repertory
John Kenley Enterprises
League of New York Theatres and Producers
League of Off Broadway Theatres
League of Resident Theatres
Manhattan Theatre Club
Mark Taper Forum
Music Fair Enterprises
National Endowment for the Arts
New York Shakespeare Festival
New York State Council on the Arts
Off-Off Broadway Alliance
Outdoor Arena Association
The Shubert Organization
The Society of Stage Directors and Choreographers
Theatre Communications Group
Theatre Development Fund
Theatre NOW
Treasurers and Ticket Sellers Union, Local 751

The design of the study as set by the National Endowment for the Arts called for an advisory group, to provide advice on Phase I of the study, and to make recommendations concerning public policy toward the

theatre in Phase II (see Foreword for a listing of Advisory Group members). We have benefited greatly from their assistance, which at all times has included equal measures of constructive criticism and encouragement.

We would also like to thank Mr. Harold Horowitz, Director of the Research Division of the National Endowment for the Arts, and Technical Monitor for this study, for his most helpful suggestions and encouragement during the course of the project.

To Demetrios Cacnis, Mason H. Powell, Vera Shturman, Judy Tapiero, and Phil Young, our appreciation for providing research support. Our gratitude to Professors William J. Baumol and Fritz Machlup for their valuable comments on earlier drafts and to our colleagues Carson Agnew and Joyce Nussbaum for giving us a helping hand. Finally, we wish to express our appreciation to Deborah Piantoni and Pamela Stonier for typing and editorial assistance.

EXECUTIVE SUMMARY

A. Introduction

This report examines the condition and needs of the live professional theatre in America. It attempts to answer two questions:

1. What is the current economic condition of the theatre in America and how has it developed over the last ten to fifteen years?
2. What factors account for the economic condition of the theatre?

In order to answer these questions we have collected and analysed data on various aspects of the theatre, including:

- Activity
- Audience
- Earnings
- Employment
- Facilities
- Finances
- Labor Force
- Innovations

However, statistics alone can give only a partial picture of the condition and needs of the theatre. They do not necessarily reflect the special insights of those most knowledgeable about the field. To try to complete the picture, we also took steps to obtain the views of a number of people and organizations involved in the theatre.

Our findings, based upon the information we have examined, are as follows.

B. Facilities, Activity and Audiences

The theatre in America is an incredibly diverse and pervasive enterprise. There is theatre produced for profit; there is theatre produced not-for-profit; there is theatre produced and presented in the street; there is Black theatre and Chicano theatre; there is theatre produced in conjunction with restaurant operation; there is theatre produced in universities, high schools and grade schools; and there is theatre produced in neighborhoods and communities.

Some idea of the nature and extent of this activity can be gotten by examining Table 1, which shows the geographic distribution of a number of different types of theatre active in America during 1976. As this table shows, there is some form of professional theatre activity in every state of the Nation. Although it is still true that the theatre is more heavily concentrated in New York, Chicago and Los Angeles, there is significant, and we believe, growing activity outside of these areas.

While the data shown in Table 1 provide some indirect evidence of the importance of the live professional theatre in the lives of many Americans, this importance is best dramatized by data on the activities and audiences of the theatre in America, which are shown in summary form in Table 2. These data show that, conservatively estimated, one out of every ten adults attended a live professional theatre performance last

(text is continued on page 6)

Table 1

Theatrical Facilities and/or Companies - All U.S. - 1977

Location	(1) LORT (Equity)	(2) Road	(3) B'way	(4) Dinner Theatre (Equity)	(5) Dinner Theatre (Non-Equity)	(6) Summer Theatre (Equity)	(7) Summer Theatre (Non-Equity)	(8) Large Outdoor Tent & Hardtop Musicals	(9) Outdoor Festivals and Pageants	(10) Small Theatre	(11) Black and Chicano 1/
Middle Atlantic											
New Jersey	2	9	-	-	6	2	6	1	-	7	1
New York	5	18	-	5	2	9	25	2	-	21	8
Pennsylvania	2	20	-	2	4	8	18	3	-	14	3
New York City	7	-	39	-	-	-	-	1	-	230	27
Northeast											
Connecticut	6	6	-	2	3	5	7	2	-	9	5
Maine	1	-	-	-	1	3	2	-	-	4	-
Massachusetts	1	4	-	3	1	6	15	4	-	17	2
New Hampshire	2	-	-	-	-	5	7	-	1	1	-
Rhode Island	1	2	-	1	-	-	2	1	-	3	-
Vermont	-	1	-	-	-	1	6	-	-	1	-
West North Central											
Iowa	--	7	-	-	-	-	4	-	-	3	1
Kansas	-	7	-	-	-	-	5	-	-	2	1
Minnesota	2	6	-	3	-	-	7	-	1	11	1
Missouri	2	8	-	4	2	1	4	2	1	2	1
Nebraska	-	3	-	2	-	-	2	-	-	4	-
N. Dakota	-	1	-	-	-	-	2	-	-	1	-
S. Dakota	-	-	-	-	-	-	6	-	1	1	-
South Atlantic											
Delaware	-	1	-	-	-	-	1	-	-	3	-
Washington, D.C.	2	3	-	-	-	-	4	1	-	13	7
Florida	1	15	-	6	3	3	3	1	1	12	6
Georgia	1	6	-	1	1	-	2	1	-	10	4
Maryland	1	2	-	4	3	-	3	1	1	9	1
N. Carolina	2	12	-	2	3	2	6	-	10	8	3
S. Carolina	-	3	-	-	-	-	3	-	1	4	-
Virginia	2	7	-	2	9	1	4	-	3	3	-
W. Virginia	-	4	-	-	1	-	2	-	1	2	-
East North Central											
Illinois	3	14	-	3	-	8	10	-	1	51	3
Indiana	1	11	-	2	3	-	11	2	-	1	1
Michigan	1	9	-	-	-	3	10	1	-	7	3
Ohio	3	12	-	5	2	-	11	3	4	4	1
Wisconsin	1	13	-	-	-	2	4	7	2	6	1

Table 1 (Continued)

Theatrical Facilities and/or Companies - All U.S. - 1977

Location	(1) LORT (Equity)	(2) Road	(3) B'way	(4) Dinner Theatre (Equity)	(5) Dinner Theatre (Non-Equity)	(6) Summer Theatre (Equity)	(7) Summer Theatre (Non-Equity)	(8) Large Outdoor Tent & Hardtop Musicals	(9) Outdoor Festivals and Pageants	(10) Small Theatre	(11) Black 1/ and Chicano
West South Central											
Arkansas	-	3	-	-	1	-	-	-	3	3	1
Louisiana	-	6	-	1	1	-	1	-	1	6	4
Oklahoma	-	5	-	1	-	-	2	-	3	5	-
Texas	3	19	-	6	3	-	4	2	5	11	3
Mountain											
Arizona	1	5	-	1	1	-	-	-	-	8	-
Colorado	-	6	-	1	4	1	11	-	-	4	-
Idaho	-	1	-	-	-	-	2	-	-	3	-
Montana	-	-	-	-	-	-	5	-	-	1	-
Nevada	-	-	-	-	-	1	-	-	-	-	-
New Mexico	-	3	-	2	-	-	1	-	-	9	-
Utah	-	4	-	2	-	-	1	-	2	2	-
Wyoming	-	-	-	-	-	-	2	-	-	-	-
East South Central											
Alabama	-	5	-	-	1	-	1	-	-	4	1
Kentucky	1	4	-	1	1	-	5	-	5	4	-
Mississippi	-	2	-	-	-	1	-	-	-	2	1
Tennessee	1	9	-	-	3	-	2	-	2	7	1
Pacific											
Alaska	1	-	-	-	-	-	-	-	1	-	-
California	6	27	-	4	2	-	15	1	2	66	13
Hawaii	-	-	-	-	-	1	-	-	-	6	-
Oregon	-	1	-	-	-	-	3	-	-	4	-
Washington	3	5	-	1	-	-	1	-	1	10	3
Puerto Rico	-	-	-	-	-	-	-	-	-	1	-
Totals	65	309	39	67	61	63	247	30	53	620	107
States	29	43	1	32		48		18	23	50	28

(1) Theatres under Actors' Equity Association LORT contracts and the Dallas Theatre Center.
(2) Includes civic centers, colleges, and commercial theatres booking in for-profit tours.
(3) Theatres under Actors' Equity Association Production contract.
(4) Theatres under Actors' Equity Association Dinner Theatre contract.
(5) Dinner theatres not under Actors' Equity Association Dinner Theatre contract.
(6) Theatres under Actors' Equity Association CORST and COST contracts.
(7) Summer theatres not under Actors' Equity Association contracts.
(8) Theatres under Actors' Equity Association AMTA contract.
(9) Member of the Institute of Outdoor Drama and 13 Shakespeare festivals.
(10) Members of the Theatre Communications Group not covered by LORT contract; plus theatres not covered by the LORT contract but receiving assistance from the National Endowment for the Arts Theatre Program, New York State Council on the Arts, Ford Foundation; plus theatres participating in various Theatre Development Fund assisted voucher programs; plus companies listed in Alternative Theatre and Grass Roots Alternate Roots Directory. Double-counting has been eliminated.
(11) Black and Chicano theatres listed by the Black Theatre Alliance as professional or near professional. This column is included in the totals reported in Column (10).

Sources: See Chapter II.

Table 2

Theatre Activity and Attendance - All U.S. (Estimated)

1977 or Most Recent Year Available

Type of Theatre	Number of Facilities	Capacity[1]	Number of[2] Productions	Number of[2] Performances	Attendance[3] (Millions)
LORT	65	38,400	396	13,200	6.0
Broadway	39	49,000	63	10,800	8.8
Commercial Touring (Road)	309	700,000[4]	-	9,000	14.7
Non-Profit Touring	-	-	-	3,000	1.4
Dinner	128	45,000	1,300	32,000	11.1
Small Summer Stock[5]	310	100,000	1,200	22,000	4.9
Large Musical[5] Arenas and Hardtops	30	99,000	200	3,000	6.6
Outdoor Pageants[5]	40	-	40	2,000	1.7
Other Small Budget	620	-	-	-	8.6
Total[6]	1,500	10,300,000	3,200	95,000	63.8
Community	2,500	-	7,500	45,000	6.7
College	2,500	-	7,500	30,000	9.0
High School	30,000	-	30,000	150,000	45.0
Total	80,000	-	45,000	225,000	60.7

1/ These are a rough estimation of the number of seats in facilities suitable for performance, including outdoor, summer facilities.

2/ Estimated. In the absence of any basis for a reasonable estimation, we have simply omitted this number of productions and performances in the smaller theatres. It is certainly extremely high, and it ranges from a fully staged performance to what is little more than a staged reading or a workshop situation.

3/ We estimate that 15 million different people attended professional theatre an average of 4.3 times each (frequency from Louis Harris, Arts in America) and 30 million attended amateur theatre. The groups probably overlap somewhat.

4/ Mostly multi-purpose auditoriums.

5/ Small summer stock, large musicals and outdoor pageants are all largely summer operations. Their total attendance was 13.2 million.

6/ Totals are rounded.

NOTE: The Broadway and Touring figures refer to rented facilities and the relevant performance activities they housed in the 1976-77 season. None of the other categories make any distinction between the physical plant and the performing group that either own or rent them.

year and one in three attended some kind of theatrical performance. In toto, there were approximately 63.8 million attendances at professional performances (not including attendance at performances of street theatre, and at performances of not-for-profit theatres presented out-of-house) and 60.7 million at amateur theatres. These attendance figures show that Americans are interested in the theatre, as evidenced by willingness to spend time and money on it.

The most significant and striking pattern reflected in the data shown in Tables 1 and 2 is the magnitude and variety of live professional (or professionally oriented) dramatic performance outside of New York City. Only 19 percent of total admissions are sold in the City, with the additional 81 percent distributed throughout the length and breadth of the country. Several factors account for this dispersion of activity, including the growth of the non-profit regional theatres, and the emergence of a touring operation involving split weeks and one-night stands in the 1960's, making performances in small population centers possible once more.

Other perspectives on activity are provided by examination of data describing activity over the past several years. The data spanning this period show that activity in some segments of the theatre has remained roughly constant and that activity in other sectors has grown. In particular:

- Attendance on Broadway has shown no long-term tendency to increase or decrease over the period 1952/53 to 1976/77. While there was a serious drop in attendance during the early part of the 1970's, attendance has increased rapidly over the last three seasons, suggesting that the early 1970's drop-off represents a departure from a roughly constant or perhaps growing attendance.

- The number of productions on Broadway has fluctuated about a constant number since 1952/53. It shows no sign of either long-term increase or long-term decrease.

- The number of performances on Broadway has fluctuated about a constant number since 1947/48. It also shows no sign of either long-term increase or long-term decrease.

- Attendance at 30 established (with budgets of over $250,000 per year) not-for-profit theatres increased from roughly 2.5 million (in house) in 1965/66 to roughly 3.8 million (in house) in 1975/76.

- The number of productions mounted by 30 established not-for-profit theatres has remained roughly constant since 1965/66.

- The number of performances presented by 30 established not-for-profit theatres has increased since 1965/66. Over the 11 year period 1965/66 to 1975/76, the total number of performances presented by these theatres increased at a rate of approximately 2.5 percent per year.

- Over half of the theatres which are members of the Theatre Communications Group (a not-for-profit service organization serving the not-for-profit theatre) were founded during the 1960's and 1970's.

- The number of new plays produced each year has doubled since 1969.

- The number of summer theatres has increased by 11 percent since 1969.

Taken together, we believe that these data support the conclusion that there has been overall growth in theatre activity in our country over the last several years.

C. Finance

Economics is a very potent force in determining what is produced, how it is produced, and how much of it is produced. The theatre suffers from a perpetual cost-revenue squeeze. Our data show, for example, that the current dollar cost of producing a Broadway musical has increased at a rate of approximately 5 percent per year since the mid-1960's, and the current dollar cost of producing a straight play has increased by about 10 percent per year over this same period. Our data also show that the operating budgets of some of the larger regional theatres have increased at a rate of roughly 9 percent per year, due in large measure to inflation.

Inspite of these problems, the evidence we examined shows that the theatre has dealt effectively with the difficult economic circumstances of the last decade. In particular, the data show:

- Since 1964/65, total current-dollar investment in Broadway productions has increased at a rate of approximately 5.9 percent per year. While we do not have a specific index of the rate of inflation in the cost of Broadway productions, if we assume that these costs have increased at approximately the rate of the Wholesale Price Index over the same period (approximately 5.9 percent), we conclude that in constant dollars, investment in Broadway productions has remained approximately constant.

- The estimated pre-tax rate of return on investments in Broadway productions financed under the security laws of the State of New York over the period 1964/65 to 1976/77 averaged slightly above 13 percent. We do not know how this compares with returns in the past, although reportedly it has been estimated that the rate of return on investment in Broadway shows over the period 1947/48 to 1957/58 was approximately 19.5 percent. We also do not know how this compares with the rate of return on privately financed productions.

- The current-dollar operating budgets of 30 established (i.e., budgets of greater than $250,000 per year) not-for-profit theatres have grown at a rate of approximately 9.1 percent per year. When compared with the rate of increase of the Wholesale Price Index over the same period (approximately 5.9 percent), this indicates real growth in the activities of this segment of the theatre.

- The earned income of 30 established not-for-profit theatres constitutes the same proportion of total operating expenditures today as it did at the beginning of this decade. This means that these theatres' earnings (box office receipts plus receipts from any other services rendered) have increased at about the same rate as total operating expenditures.

- The share of total operating expenditures of 30 established not-for-profit theatres provided by government has increased from under 3 percent in 1965/66 to over 10 percent in 1976/77. This means that contributions from private sources are making up a smaller portion of total budgets than in the past.

- The current-dollar operating budgets of less-well-established (i.e., budgets of less than $250,000 per year) not-for-profit theatres typically have increased at rates between 10 and 20 percent per year, indicating real growth in the activities of these theatres.

All in all, while costs, prices, and activity levels are higher than they were a decade ago, the financial condition of the theatre today seems to be reasonably stable.

Financial stability has been maintained in the face of inflation and competition by a number of measures undertaken by the theatre that are designed to cut costs and boost revenues. Included among the measures we have observed are the following:

- The size of cast of musicals produced on Broadway has fallen. The average cast size of musicals produced in 1964/65 was 36.8. The average cast size of musicals produced in 1975/76 was 27.6.

- Average cast sizes of plays presented on Broadway have fallen from 13.4 in 1968/69 to 11.4 in 1975/76.

- Above-minimum salary rates for actors have not increased as quickly as have the minimums, and there seems to be some tendency in all theatre to use fewer highly-paid actors today than there was common a decade ago.

- 30 not-for-profit theatres have increased the average length of run of their productions from approximately 20 performances (in 1965/66) to approximately 27 performances (in 1975/76). This spreads the fixed cost of mounting a production over a large number of performances.

D. Labor Force, Employment and Earnings

Another indicator of the economic health of the theatre is the economic health of the people who work in the theatre. The data we examine show conflicting patterns. We observe relatively rapid growth in the size of the theatre labor force as measured by the rates of growth of membership in unions and associations representing theatre artists.

- Membership in Actors' Equity Association grew at a rate of 4.8 percent per year over the period 1970/71 to 1975/76. This compares with an overall rate of growth in the U.S. civilian labor force over the same period of approximately 2.4 percent per year.

- Membership in the American Federation of Musicians grew at a rate of over 3 percent per year over the period 1970/71 to 1975/76.

- Membership in the Dramatists' Guild increased at a rate of approximately 4.0 percent per year over the period 1966/67 to 1976/77.

This corroborates other evidence we have presented that theatre activity has been expanding over the recent past.

The only employment data spanning a period of years that we have are for actors. These data show that while total employment of actors has grown, it apparently has not done so as quickly as has union membership. The result is that the average actor seems to find less employment under Equity jurisdiction each year. Average work-weeks per paid-up member fell from approximately 13 weeks in 1965/66 to approximately 10 weeks in 1975/76. In addition, our data show that:

- During the 1975/76 season, only 60 percent of Actors' Equity Association paid-up membership worked even one time under Actors' Equity jurisdiction.
- According to the statistics of the U.S. Bureau of the Census - U.S. Bureau of Labor Statistics, the unemployment rate for actors has ranged between 30 and 50 percent from 1970 up to the present. Given the fact that actors move between assignments and that not all actors are suited for all parts, it is possible that this high rate in part reflects normal frictional unemployment. This rate, however, seems much higher than could be explained on these grounds alone.

In our examination of compensation in the theatre occupations, we examined both weekly wage rate data and data on annual income. Weekly wage rate data show that increases in weekly wage rates in theatre occupations generally have equaled or exceeded the rate of inflation. For example:

- The minimum weekly salary of actors on Broadway has increased at a rate of approximately 8.0 percent per year over the period 1964/65 to 1977/78. The current weekly minimum salary for actors on Broadway is $355 per week.

- The minimum weekly salaries of actors in theatres covered by Actors' Equity Association's LORT contracts increased over the period 1966/67 to 1977/78 at rates ranging from approximately 5.2 percent per year (in LORT "A" theatres, which are the larger not-for-profit theatres) to 6.6 percent per year (in LORT "D" theatres, which are the smallest not-for-profit theatres covered by the LORT contract). The current weekly minimum salary for actors under the LORT "A" contract is $242.25 per week, and the current weekly minimum for actors under the LORT "D" contract is $182.30 per week.

- The minimum weekly salary of stagehands working on Broadway has increased at a rate of approximately 6.6 percent over the period 1964/65 to 1977/78. The current weekly minimum salary ranges from $409.13 (for Department Heads) to $312.90.

Annual income depends both on the level of the weekly wage rate and the number of weeks worked in a year. Data on annual incomes show that, by and large, people working in the theatre earn incomes from that source that are low relative to incomes earned in other sectors of our economy. Income data show that:

- The median income of actors employed in the theatre from theatre employment alone has not exceeded $5,000 in any year for which we have examined data (our data cover 1970/71 to 1976/77).

- The median income from Broadway theatre employment of musicians employed in the Broadway theatre or on the Road in 1976/77 was less than $5,000.

- The median income from Broadway theatre employment of stagehands working on Broadway during 1976/77 was less than $4,000.

- The median income of press agents and managers from employment on Broadway or on the Road was less than $15,000 in 1974/75. This is the only median income we found that compares remotely with income levels in other professional sectors of our economy.

To supplement theatre income, many people working in the theatre work at other jobs as well. The data we have examined show that many theatre professionals derive almost as much of their total income from these other employments as they do from the theatre. In particular:

- The median income of members of Actors' Equity Association from all sources in 1976 was between $7,000 and $9,000.

- The median income of stagehands from all employments under Stagehands Local No. 1 jurisdiction was between $12,000 and $16,000.

Undoubtedly, the persistence of unemployment, the relatively rapid growth in memberships of unions and associations representing theatre professionals, relatively low incomes, and multiple employment, reflect the fact that theatre professionals are deeply committed to their occupation and are willing to undergo what most would consider hardship to engage in it. It seems fair to conclude that only the fortunate few earn enough from theatre employment alone to provide for the needs of a family.

E. Innovations

The distinguishing feature of many of the measures taken by the theatre to keep its finances in balance, such as reducing cast sizes or pay rates, is that they cannot keep costs in check forever. There is an absolute limit on the extent to which cast sizes or pay rates can be cut. When this limit is reached, it will no longer be possible to control the rate of increase of cost by these measures.

The struggle to remain financially viable has assumed other forms as well, including new methods for increasing revenues and increasing the stability of revenues, new production methods that lower costs of production and performance, and methods to improve the management of the theatre enterprise. Although our data are not very substantial, we do see some evidence that these measures are paying off, both in terms of expanding box office revenues and reducing costs.

F. Prognosis

But what of the future? The theatre must continually find ways to cut costs and/or increase revenues to fend off financial squeeze. Has the theatre used up most of its leeway to adjust its operations to control costs and increase revenues? Casts can be only so small. Seasons can only be so long. Productions can only be so few. Only 100 percent of capacity can be filled.

We see three possible alternative (which is not to say mutually exclusive) futures for the theatre. First, the theatre may continue to find ways to control costs and boost revenues earned from the activities

in which it engages. If it does this successfully, there is every reason to believe that the next decade will show continued increases in activity levels and financial stability.

The second alternative future is for the theatre to become dependent for its sustenance and growth on increasing public and private contributions. Under this alternative, earnings from activities would cover an ever-shrinking portion of the theatre's budget, with the result that the theatre would become progressively dependent upon philanthropy.

The third alternative future is that, absent cost control, revenue increases, and increases in publicly and/or privately contributed support, financial constraints would cause the level of theatre activity in our country to fall. This alternative, although it may sound alarmist, should be regarded as no less plausible than the two alternatives discussed above. Economic history is replete with examples of goods and services that are no longer readily available because the cost of producing them has outgrown many consumers' willingness to pay for them, and competitive (although perhaps inferior in some sense) products have been developed. It is difficult today, for example, to purchase vine-ripened tomatoes, or really fresh fish, or the services of a family doctor.

We do not know with certainty which combination of these futures is most likely. We do know that some of the more obvious and easily implemented measures for controlling costs and increasing earned revenues are already being exploited and are limited in the extent to which

they can continue to hold costs and revenues in balance. We also know that under current policy, the alternatives faced by the for-profit theatre are to either control costs and boost revenues or reduce activity levels since for-profit theatre is currently ineligible for philanthropy.

Perhaps most important, we know that the individuals most knowledgeable about the status and prospects of the theatre -- members of the theatre community -- are uniformly concerned about the theatre's ability to cope successfully with the future. This concern is amply gleaned from even the most casual of readings of statements we have obtained for the record.

Our conclusions with respect to the theatre's future thus necessarily are guarded. We do not have definite answers to many of the questions we have raised above concerning the future course of costs and revenues. Nonetheless, our results do suggest that the theatre may be in for a period of retrenchment if substantial new sources of revenues are not found. The scope for fending off financial pressure through further application of the cost-saving measures we have observed over the last decade, while perhaps not exhausted, is uncertain.